EMIRATES BANK INTERNATIONAL PJSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2007

EMIRATES BANK INTERNATIONAL PJSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Contents **Page**

Independent report on review of condensed consolidated interim financial information	1
Group Condensed Consolidated Interim Balance Sheet	2
Group Condensed Consolidated Interim Income Statement	3
Group Condensed Consolidated Interim Statement of Cash Flows	4
Group Condensed Consolidated Interim Statement of Changes in Equity	5
Notes to the Condensed Consolidated Interim Financial Statements	6 - 21

KPMG

P O Box 3800
Level 32, Emirates Towers
Sheikh Zayed Road
Dubai
United Arab Emirates

Telephone +971 (4) 403 0300
Fax +971 (4) 330 1515
Website www.ae-kpmg.com

Independent report on review of condensed consolidated interim financial information to the shareholders of Emirates Bank International P.J.S.C.

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Emirates Bank International P.J.S.C. ("the Bank") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2007 and the related condensed consolidated interim statements of income, changes in equity and cash flows for the three-month period then ended ("the interim financial information"). Management is responsible for the preparation and presentation of the interim financial information in accordance with IAS 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

KPMG
Vijendra Nath Malhotra
Registration No. 48B

KPMG, is a member of KPMG International, a Swiss Co-operative.
All rights reserved.

EMIRATES BANK INTERNATIONAL PJSC

GROUP CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 31 MARCH 2007

	Note	Unaudited 31 March 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 31 March 2006 AED 000
ASSETS				
Cash and deposits with Central Banks	3	7,906,245	6,778,440	4,607,173
Due from banks		7,915,421	6,822,405	8,421,322
Loans and receivables	4	62,934,587	59,278,208	56,319,289
Loans to finance Initial Public Offering		177,533	-	65,540,633
Islamic financing and investment products	5	7,438,376	6,558,310	3,286,391
Investment securities	7	9,535,644	8,771,266	4,232,946
Investment in associate companies		2,368,290	2,296,707	2,048,552
Investment properties		291,372	269,025	174,526
Property and equipment		476,312	438,379	320,164
Goodwill and intangible assets	8	40,297	14,184	-
Positive fair value of derivatives		1,865,640	2,033,345	1,076,733
Customer acceptances		1,403,647	1,020,791	935,569
Other assets		1,756,372	1,597,081	937,863
TOTAL ASSETS		104,111,736	95,878,141	147,901,163
LIABILITIES				
Customer deposits		43,440,309	40,887,052	29,358,074
Islamic customer deposits		10,825,230	9,045,374	4,272,199
Due to banks		21,806,812	19,975,276	8,839,225
Deposits under repurchase agreement		355,087	355,087	355,087
Medium term borrowing	9	12,925,379	12,083,060	6,501,210
Initial Public Offering Share Applications received		316,834	-	86,702,549
Negative fair value of derivatives		1,872,650	2,075,392	1,138,948
Customer acceptances		1,403,647	1,020,791	935,569
Other liabilities		2,397,267	1,558,062	2,042,665
TOTAL LIABILITIES		95,343,215	87,000,094	140,145,526
EQUITY				
Issued capital		2,914,870	2,331,896	2,331,896
Legal and statutory reserve		982,205	982,205	792,205
Other reserves		3,711,510	4,294,484	3,240,484
Cumulative changes in fair value		358,661	343,285	497,719
Retained earnings		799,642	924,611	892,640
TOTAL EQUITY HOLDERS' FUNDS		8,766,888	8,876,481	7,754,944
Minority interests		1,633	1,566	693
TOTAL LIABILITIES AND EQUITY		104,111,736	95,878,141	147,901,163
CONTINGENT LIABILITIES		24,782,616	24,220,565	18,424,367

The notes set out on pages 6 to 21 form part of these condensed consolidated interim financial statements.
The independent report on review of condensed consolidated interim financial information is set out on page 1.

Chairman

Chief Executive Officer

EMIRATES BANK INTERNATIONAL PJSC

GROUP CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2007 (UNAUDITED)

	Note	31 March 2007 AED 000	31 March 2006 AED 000
Interest income		1,298,629	927,179
Income from Islamic financing and investment products		120,957	58,439
Total interest income and income from Islamic financing and investment products		1,419,586	985,618
Interest expense		(858,358)	(571,614)
Distribution to depositors		(76,541)	(24,349)
Net interest income and income from Islamic products net of distribution to depositors		484,687	389,655
Net fees, commissions and other income		397,246	405,502
Property related income		13,041	923
Total income		894,974	796,080
General and administrative expenses		(331,872)	(229,297)
Net impairment allowances on loans and receivables and Islamic financing and investment products	6	(60,020)	(13,153)
Share of profit of associate companies		71,585	49,646
Group profit for the period		574,667	603,276
Attributable to:			
Equity holders of the Bank		574,600	603,871
Minority interests		67	(595)
Group profit for the period		574,667	603,276
		31 March 2007 (Dirhams)	**31 March 2006 (Dirhams)**
EARNINGS PER SHARE			
Basic and diluted		**0.20**	**0.21**

The notes set out on pages 6 to 21 form part of these condensed consolidated interim financial statements.
The independent report on review of condensed consolidated interim financial information is set out on page 1.

EMIRATES BANK INTERNATIONAL PJSC

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2007 (UNAUDITED)

	Note	31 March 2007 AED 000	31 March 2006 AED 000
OPERATING ACTIVITIES			
Group profit for the period		574,667	603,276
Adjustment for non cash items			
Impairment allowances on loans and receivables		56,606	23,004
Impairment allowances on Islamic financing and investment products		20,421	3,110
Depreciation on property and equipment		21,109	14,756
Share of profit of associated companies		(71,585)	(49,646)
Operating profit before changes in operating assets and liabilities		601,218	594,500
Increase in statutory deposits		(302,968)	(140,884)
Decrease in amounts due from banks maturing after three months		45,877	172,740
Decrease in amounts due to banks maturing after three months		(25,000)	(117,038)
Net change in other liabilities/other assets		674,121	1,203,865
Net change in fair value of derivatives		(35,037)	29,030
Increase in customer deposits		4,333,113	572,217
Increase in Initial Public Offering application monies		316,834	86,702,549
Increase in loans and receivables		(3,712,985)	(17,775,047)
Increase in loans to finance Initial Public Offerings		(177,533)	(65,540,633)
Increase in Islamic financing and investment products		(900,487)	(1,117,869)
Net cash flow from operating activities		817,153	4,583,430
Investing activities			
Increase in trading and investment securities		(749,000)	(872,373)
Increase in investment and development properties		(22,347)	(45,799)
Acquisition of subsidiaries	**8**	(27,013)	-
Additions to property and equipment (net)		(54,348)	(92,035)
Net cash flow used in investing activities		(852,708)	(1,010,207)
Financing activities			
Increase in medium term borrowing		842,319	91,825
Dividends paid		(699,569)	(448,442)
Net cash flow from / (used in) financing activities		142,750	(356,617)
Net increase in cash and cash equivalents	14	107,195	3,216,606

The notes set out on pages 6 to 21 form part of these condensed consolidated interim financial statements.
The independent report on review of condensed consolidated interim financial information is set out on page 1.

EMIRATES BANK INTERNATIONAL PJSC

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2007 (UNAUDITED)

	Issued Capital	Legal and Statutory Reserve	Other Reserves	Cumulative changes in fair value	Retained Profits	Minority Interests	Total
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
Balance as at 1 January 2006	1,793,766	792,205	3,778,614	647,135	737,211	1,288	7,750,219
Group profit for the period	-	-	-	-	603,871	-	603,871
Net movement in cumulative changes in fair value	-	-	-	(137,364)	-	-	(137,364)
Net movement in cash flow hedge reserve	-	-	-	(12,052)	-	-	(12,052)
Dividends paid	-	-	-	-	(448,442)	-	(448,442)
Issue of bonus shares	538,130	-	(538,130)	-	-	-	-
Share of subsidiary profits	-	-	-	-	-	(595)	(595)
Balance as at 31 March 2006	2,331,896	792,205	3,240,484	497,719	892,640	693	7,755,637
Balance as at 1 January 2007	2,331,896	982,205	4,294,484	343,285	924,611	1,566	8,878,047
Group profit for the period	-	-	-	-	574,600	-	574,600
Net movement in cumulative changes in fair value	-	-	-	(19,319)	-	-	(19,319)
Net movement in cash flow hedge reserve	-	-	-	34,695	-	-	34,695
Dividends paid	-	-	-	-	(699,569)	-	(699,569)
Issue of bonus shares	582,974	-	(582,974)	-	-	-	-
Share of subsidiary profits	-	-	-	-	-	67	67
Balance as at 31 March 2007	2,914,870	982,205	3,711,510	358,661	799,642	1,633	8,768,521

Note : No allocation to legal and statutory and other reserves has been made for the three months ended 31 March 2007 as this will be effected at the year end.
The notes set out on pages 6 to 21 form part of these condensed consolidated interim financial statements.
The independent report on review of condensed consolidated interim financial information is set out on Page 1.

EMIRATES BANK INTERNATIONAL PJSC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2007

1 LEGAL STATUS AND ACTIVITIES

Emirates Bank International PJSC ("the Bank") was incorporated in Dubai as a commercial bank with limited liability by a decree of the Ruler of Dubai on 27 March 1977. The Bank was registered as a Public Joint Stock Company in June 1995.

The condensed consolidated interim financial statements comprise the Bank and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

The registered address of the Bank is Post Box No.2923, Dubai, United Arab Emirates.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The accounting policies applied by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those applied by the Group in the annual consolidated financial statements of the Bank as at and for the year ended 31 December 2006.

These condensed consolidated interim financial statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the financial statements as at and for the year ended 31 December 2006.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2006.

(a) Estimates

The preparation of condensed consolidated interim financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2006.

3 CASH AND DEPOSITS WITH CENTRAL BANKS

	Unaudited 31 March 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 31 March 2006 AED 000
Cash	488,537	638,628	589,950
Interest free statutory and special deposits with Central Bank	2,658,708	2,254,812	1,776,223
Interest bearing certificates of deposit with Central Bank	4,759,000	3,885,000	2,241,000
	7,906,245	6,778,440	4,607,173

4 LOANS AND RECEIVABLES

	Unaudited 31 March 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 31 March 2006 AED 000
Overdrafts	23,783,803	21,282,181	19,658,235
Time loans	32,143,567	31,931,035	33,257,829
Loans against trust receipts	1,870,279	1,946,946	1,448,374
Bills discounted	658,745	587,499	532,022
Others	676,477	278,914	151,402
Gross loans and receivables	59,132,871	56,026,575	55,047,862
Allowances for impairment	(846,036)	(806,964)	(688,983)
Net loans and receivables	58,286,835	55,219,611	54,358,879
Other debt instruments	4,647,752	4,058,597	1,960,410
Total loans and receivables	62,934,587	59,278,208	56,319,289

4 LOANS AND RECEIVABLES (continued)

	Unaudited 31 March 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 31 March 2006 AED 000
Analysis by Economic Activity			
Agriculture and allied activities	47,441	49,518	49,877
Mining and quarrying	245,462	-	-
Manufacturing	2,687,594	2,776,515	3,635,779
Construction	3,544,888	3,164,818	2,907,611
Trade	2,863,454	2,892,629	3,133,167
Transport and communication	4,246,469	3,901,400	3,149,992
Services	7,337,015	9,263,515	12,972,775
Sovereign	17,616,298	14,287,223	6,903,969
Personal	16,978,988	16,779,922	20,199,728
Others	3,565,262	2,911,035	2,094,964
Loans and receivables before impairment allowances	59,132,871	56,026,575	55,047,862
Allowances for impairment	(846,036)	(806,964)	(688,983)
Net loans and receivables	58,286,835	55,219,611	54,358,879
Other debt instruments	4,647,752	4,058,597	1,960,410
Total loans and receivables	62,934,587	59,278,208	56,319,289

4 LOANS AND RECEIVABLES (continued)

	Three months Unaudited 31 March 2007 AED 000	Twelve months Audited 31 December 2006 AED 000	Three months Unaudited 31 March 2006 AED 000
Movement in allowances for impairment			
Balance as at 1 January	806,964	673,750	673,750
Impairment allowances made	56,606	198,481	23,004
Recoveries	(5,017)	(57,493)	(8,744)
Amounts written off	(12,517)	(10,706)	(1,959)
Amount transferred from Islamic financing and investment products (refer note 5)	-	2,932	2,932
Balance	846,036	806,964	688,983
Total of classified loans and receivables on which interest is not taken into income amounted to	525,908	491,893	598,747

5 ISLAMIC FINANCING AND INVESTMENT PRODUCTS

	Unaudited 31 March 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 31 March 2006 AED 000
Murabaha	3,778,636	3,443,411	2,377,883
Ijara	1,870,321	1,753,197	761,896
Secured overdraft and credit cards receivable	1,349,583	1,066,630	343,228
Wakala	525,759	505,870	75,790
Istissna'a	414,753	259,279	54,666
Total Islamic financing and investment products	7,939,052	7,028,387	3,613,463
Deferred income	(388,469)	(375,964)	(276,972)
Allowances for impairment	(112,207)	(94,113)	(50,100)
Net Islamic financing and investment products	7,438,376	6,558,310	3,286,391
Analysis by Economic Activity			
Agriculture and allied activities	19,068	23,514	27,618
Manufacturing	180,336	166,721	127,171
Construction	1,849,734	1,593,222	723,683
Trade	1,573,824	1,429,042	1,226,690
Transport and communication	19,283	13,059	3,723
Services and personal	4,013,248	3,544,095	1,174,829
Others	283,559	258,734	329,749
Gross	7,939,052	7,028,387	3,613,463
Deferred income	(388,469)	(375,964)	(276,972)
Allowances for impairment	(112,207)	(94,113)	(50,100)
	7,438,376	6,558,310	3,286,391

5 ISLAMIC FINANCING AND INVESTMENT PRODUCTS (continued)

	Three months Unaudited 31 March 2007 AED 000	Twelve months Audited 31 December 2006 AED 000	Three months Unaudited 31 March 2006 AED 000
Movement in allowances for impairment			
Balance as at 1 January	94,113	49,922	49,922
Impairment allowances made	20,421	47,123	3,110
Recoveries	(2,327)	-	-
Amount transferred to loans and receivables (refer note 4)	-	(2,932)	(2,932)
Balance	112,207	94,113	50,100
Total of classified Islamic financing and investing products on which fees are not taken into income amounted to	154,994	127,001	73,369

6 NET IMPAIRMENT ALLOWANCES ON LOANS AND RECEIVABLES AND ISLAMIC FINANCING AND INVESTMENT PRODUCTS

The charge to the Income Statement for net impairment allowances on loans and receivables and Islamic financing and investment products is made up as follows:

	Unaudited 31 March 2007 AED 000	Unaudited 31 March 2006 AED 000
Net impairment of loans and receivables	(51,589)	(14,260)
Net impairment of Islamic financing and investment products	(18,094)	(3,110)
Net special asset recoveries	9,663	2,668
Impairment/recoveries of bank debts	-	1,549
Net allowances for impairment losses for the period	(60,020)	(13,153)

7 INVESTMENT SECURITIES

		Unaudited 31 March 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 31 March 2006 AED 000
(a)	HELD TO MATURITY:			
	Government bonds	198,973	198,672	197,660
	Corporate bonds	690,102	677,439	504,406
		889,075	876,111	702,066
(b)	FAIR VALUE THROUGH PROFIT OR LOSS:			
	Equities	513,714	508,072	358,309
	Hybrid instruments	1,232,319	1,156,995	576,250
	Designated by Group as fair value through profit or loss	65,615	61,942	59,569
	Others (including mutual funds)	1,732,472	1,497,697	867,563
		3,544,120	3,224,706	1,861,691
(c)	AVAILABLE-FOR-SALE:			
	Government bonds	226,566	1,095,848	288,300
	Corporate bonds	3,521,750	2,429,172	192,351
	Equities	1,127,409	915,137	937,808
	Others (including mutual funds)	226,724	230,292	250,730
		5,102,449	4,670,449	1,669,189
	Total investment securities	9,535,644	8,771,266	4,232,946

7 INVESTMENT SECURITIES (continued)

Income from investment securities taken to the Income Statement is made up as follows:

	Unaudited 31 March 2007 AED 000	Unaudited 31 March 2006 AED 000
Interest income		
Interest from investments	141,918	40,039
Other income		
Profit/(loss) on sale of investment securities	50,168	14,840
Revaluation profit / (loss) on investment securities held as fair value through profit or loss	44,453	(35,278)
Dividends received	9,770	7,233
	246,309	26,834

8 GOODWILL AND INTANGIBLE ASSETS

	Unaudited 31 March 2007 AED 000	Audited 31 December 2006 AED 000
Goodwill on NPC (refer note below)	26,733	-
Goodwill on ELCO	4,903	4,903
Software solution in ECTS	8,661	9,281
	40,297	14,184

Acquisition of Egyptian Company for Electronic Systems Development ("NPC")

On 1 January 2007 the Group acquired 100% of Egyptian Company for Electronic Systems Development ("NPC").

The Group has adopted provisional accounting in respect of this acquisition as permitted by IFRS 3 – Business combinations as certain fair values of assets acquired have not yet been finalised. The excess of purchase consideration over the net assets, being AED 26.7 million, has been recognized as goodwill.

8 GOODWILL AND INTANGIBLE ASSETS (continued)

The details of net assets acquired and goodwill are as follows:

	AED 000
Purchase consideration (cash paid)	27,851
Net assets acquired	(1,118)
Goodwill	26,733

The assets and liabilities arising from the acquisition are as follows:

	Pre-acquisition carrying amounts AED 000
Property and equipment	6,694
Cash in hand and at bank	838
Other assets	7,315
Other liabilities	(13,729)
Total net assets acquired	1,118

The pre-acquisition carrying amounts have been adopted as the fair values recognised at the acquisition date.

From the date of acquisition NPC incurred a loss of AED 0.33 million. This is included in the condensed consolidated interim financial statements, as under the terms of the agreement the Bank is entitled to all profits/losses from 1 January 2007.

The cash outflow on acquisition of NPC as follows:

	AED 000
Purchase consideration (cash paid)	27,851
Cash and cash equivalents acquired	(838)
Cash outflow on acquisition of NPC	27,013

9 MEDIUM TERM BORROWING

	Unaudited 31 March 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 31 March 2006 AED 000
Eurobond issue	12,925,379	12,083,060	5,656,420
Syndicated borrowings from banks	-	-	844,790
	12,925,379	12,083,060	6,501,210

The Bank has outstanding medium term borrowings which will be repaid as follows:

	31 March 2007 AED million	31 December 2006 AED million	31 March 2006 AED million
2006	-	-	845
2007	1,374	1,345	845
2008	705	705	-
2009	3,500	2,755	2,111
2010	2,773	2,828	2,700
2011	2,736	2,704	-
2016	1,837	1,746	-
	12,925	12,083	6,501

10 EQUITY HOLDERS' FUNDS

At the meeting of the equity holders held on 13 March 2007, the following were approved:

(a) An issue of bonus shares for 2006 of 25% (2005 - 30%) of the issued and paid up capital amounting to AED 583 million (2005 - AED 538 million).

(b) A cash dividend of 30% (2005 - 25%) of the capital be paid which amounted to AED 700 million (2005 - AED 448 million).

EMIRATES BANK INTERNATIONAL PJSC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2007

11 BUSINESS SEGMENT REPORTING (UNAUDITED)

	Government, Corporate & Commercial AED 000	Retail AED 000	Investment & Funds Management AED 000	Islamic Banking Activities AED 000	Other AED 000	Total AED 000
31 March 2007						
Net interest income	217,032	190,252	32,987	-	-	440,271
Income from Islamic products net of distribution to depositors	-	-	-	44,416	-	44,416
Net fees, commissions and other income	213,191	44,077	84,413	55,565		397,246
Property related income	-	-	-	13,041	-	13,041
Total Income	430,223	234,329	117,400	113,022	-	894,974
General and administrative expenses						(331,872)
Net (allowances)/ recoveries on loans and receivables						(60,020)
Share of profit of associate companies						71,585
Group profit for the period						574,667
Segment Assets	51,211,289	14,564,034	24,585,097	10,435,039	3,316,277	104,111,736
Segment Liabilities	23,081,430	26,123,724	38,981,461	12,468,510	3,456,611	104,111,736

Included in segment liabilities are equity holders' funds which have been allocated to the different segments based on the relative size of the segment assets.

EMIRATES BANK INTERNATIONAL PJSC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2007

11 BUSINESS SEGMENT REPORTING (UNAUDITED)

	Government, Corporate & Commercial	Retail	Investment & Funds Management	Islamic Banking Activities	Other	Total
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
31 March 2006						
Net interest income	166,601	138,710	50,254	-	-	355,565
Income from Islamic products net of distribution to depositors	-	-	-	34,090	-	34,090
Net fees, commissions and other income	293,695	37,367	57,708	16,732	-	405,502
Property related income	-	-	-	923	-	923
Total Income	460,296	176,077	107,962	51,745	-	796,080
General and administrative expenses						(229,297)
Net (provisions)/ recoveries on loans and receivables						(13,153)
Share of profit of associate companies						49,646
Group profit for the period						603,276
Segment Assets	110,263,674	9,083,649	18,051,549	7,389,056	3,113,235	147,901,163
Segment Liabilities	103,415,004	13,490,602	21,304,802	7,335,665	2,355,090	147,901,163

Included in segment liabilities are equity holders' funds which have been allocated to the different segments based on the relative size of the segment assets.

12 COMMITMENTS AND CONTINGENCIES

The Group in the ordinary course of business enters into various types of transactions that involve undertaking certain commitments such as letters of credit and undrawn loan commitments.

13 RELATED PARTY TRANSACTIONS

Banking transactions are carried out with certain related parties. Such transactions during the quarter were made on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with third parties and do not involve more than a normal amount of risk.

Related party transactions are as follows:

	Unaudited 31 March 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 31 March 2006 AED 000
Loans to majority shareholder	14,960,713	13,215,286	6,154,752
Deposits from majority shareholder	741,152	98,087	222,694
Investment in Government of Dubai bonds	74,248	74,088	73,627
Loans to directors and related companies	551,737	506,588	450,262
Loans to and investments in funds managed by the Group	-	170,906	205,760
Fees received in respect of funds managed by the Group	6,517	35,487	16,725
Interest paid to funds managed by the Group	614	3,639	2,201

The total amount of compensation paid to directors and key management personnel during the period is as follows:

	Unaudited 31 March 2007 AED 000	Unaudited 31 March 2006 AED 000
Short term employee benefits	4,091	3,406
Post employment benefits	233	245

Key management personnel are those persons, including non-executive directors, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

14 NOTE TO THE CASH FLOW STATEMENT

		Unaudited 31 March 2007 AED 000	Unaudited 31 March 2006 AED 000
(a)	Analysis of changes in cash and cash equivalents during the period		
	Balance at beginning of period	(9,528,277)	(1,353,366)
	Net cash inflow	107,195	3,216,606
	Balance at end of period	(9,421,082)	1,863,240
(b)	Analysis of cash and cash equivalents		
	Cash and deposits with Central Banks	7,906,245	4,607,173
	Due from banks	7,915,421	8,421,322
	Due to banks	(21,806,812)	(8,839,225)
		(5,985,146)	4,189,270
	Less : deposits with Central Banks for regulatory purposes	(2,428,417)	(1,776,223)
	Less : amounts due from banks maturing after 3 months	(1,007,519)	(763,374)
	Add : amounts due to banks maturing after 3 months	-	213,567
		(9,421,082)	1,863,240

15 COMPARATIVE FIGURES

Certain comparative figures have been reclassified and restated where appropriate to conform with the presentation and accounting policies adopted in these financial statements.